

HOUSE BILL REPORT

HB 1783

As Passed House:
February 12, 2014

Title: An act relating to health district banking.

Brief Description: Concerning health district banking.

Sponsors: Representatives Seaquist, Hansen, Buys, Springer, Angel and Ryu.

Brief History:

Committee Activity:

Local Government: 2/19/13, 2/21/13 [DP].

Floor Activity:

Passed House: 2/12/14, 82-16.

Brief Summary of Bill

- Authorizes a health district (district) to act as custodian of funds, to keep records of receipts and disbursements, and to draw, honor, and pay all warrants and checks with the approval of the board of health of the district.
- Prohibits a county from charging a district for services the district is authorized, but chooses not, to perform pursuant to the provisions of the bill.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 8 members: Representatives Takko, Chair; Kochmar, Assistant Ranking Minority Member; Buys, Fitzgibbon, Liias, Springer, Crouse and Upthegrove.

Minority Report: Do not pass. Signed by 1 member: Representative Taylor.

Staff: Michaela Murdock (786-7289).

Background:

Local boards of health (board of health) supervise matters pertaining to the preservation of the life and health of people in their jurisdictions. Their duties include:

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- enforcing state public health statutes and rules;
- enacting local rules and regulations necessary to preserve, promote, and improve the public health;
- providing for the control and prevention of any dangerous, contagious, or infectious diseases, and the prevention, control, and abatement of nuisances detrimental to public health; and
- establishing fee schedules for licenses or permits.

A board of health may be administered by a county or by a health district (district) created for that purpose.

For counties, either the board of county commissioners constitutes the board of health, or the county legislative authority must establish a board of health and may provide for its membership. The jurisdiction of a board of health of a county is coextensive with the boundaries of the county.

Alternatively, districts comprised of one or more counties may be established. For districts comprised of one county, the county legislative authority may appoint both elected officials and persons other than elected officials to serve on the board of health of the district. For multi-county districts, the board of health of the district may consist of not less than five or seven members (depending on the number of counties in the district), and must include representatives from each board of county commissioners. After two years within a district, a county may withdraw at any time. A district assumes all of the powers and duties of the board of health of any county in the district. Its jurisdiction is coextensive with the boundaries of all counties in the district.

Health District Funds.

By statute, all expenses incurred by a district in carrying out statutory provisions must be paid by the county, and such expenses constitute a claim against the county general fund. Moreover, the expense of providing public health services must be borne by each county in a district, and each county must contribute sums toward the expense of maintaining and operating the district.

Districts must establish a "district health fund" (fund) into which all sums received by the district from any source are placed. All sums expended by the district must be paid out of the fund. For multi-county districts, the county treasurer of the county with the largest population is custodian of the fund. The county auditor of the county must keep the record of receipts and disbursements, and must draw and the county treasurer must honor and pay all warrants, which must be approved prior to issuance and payment by the board of health of the district.

Summary of Bill:

Health districts (district) are authorized to act as custodian of funds instead of the county treasurer. A district may keep the record of receipts and disbursements, and may draw and may honor and pay all warrants or checks, which must be approved before issuance and payment as directed by the board of health of the district.

Prior to exercising the authority granted in this section, a district must receive consent to do so from:

- the county legislative authority;
- the county treasurer;
- the county auditor; and
- the board of health of the district.

A county may not charge a district that does not choose to act as custodian of funds, or otherwise perform services authorized in this section, for those services provided by the county.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill will authorize health districts (district) to do their own banking and check writing. Districts are provided with a local option, but are not required to adopt it. To adopt the local option, all pertinent elected officials must approve of it. Also, it is likely that only those districts that have the capacity to perform these functions will exercise this option and save money. There are many smaller districts that will probably choose not to perform these functions.

This bill will increase government efficiency. For example, Kitsap County Public Health District (Kitsap health district) has estimated that being able to do its own banking will save the district approximately \$60,000 a year and simplify its banking procedures. Many actions are duplicated by the Kitsap health district, because it is unable to handle its own banking. The Kitsap health district must post transactions in two separate systems, creating at least 30 hours of wasted, duplicative work each month. The Kitsap health district is looking everywhere to cut overhead costs. Having to go through the county to conduct its banking transactions is an inefficient use of its resources.

Districts are inherently trustworthy organizations that deal with health issues, record-keeping, etc. They are capable of handling their own banking. Additionally, other districts, such as fire districts and library districts, already have authority to do their own banking.

(Opposed) None.

Persons Testifying: Representative Seaquist, prime sponsor; Brad Banks, Washington State Association of Counties; and Scott Daniels, Kitsap Public Health District.

Persons Signed In To Testify But Not Testifying: None.